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SOURCE Soviet books as indicated.

ORGANIZATION OF THE MINISTRY OF FINANCE USSR

[Numbers in parentheses refer to appended sources.]

Historical Background

The People's Commissariat of Finance was established in October 1917. According to the 1936 Stalin Constitution it is a union-republic commissariat. Its function is to carry out government financial policy and to direct financial activities of the economy.

In 1934, the People's Commissariat of Finance was reorganized on a "branch-production" principle; each branch of the economy is represented in the ministry by a department. (1)

Organization and Functions of the Ministry of Finance USSR

The following chart showing the structure of the Ministry of Finance was published in a textbook by Rovinskiy in 1944. Since the book's main interest is in the budget, the breakdown of the ministry does not necessarily include all departments and organizations subordinated to it. A later revised edition of this book omits the structural breakdown, but the organization apparently has not changed materially since 1944, as is indicated by the substantially similar textual description of the various administrations of the ministry in the 1950 edition.

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Structure of the Ministry of Finance (2)

<u>Ministry of Finance USSR</u>	<u>Ministry of Finance of Union Republics</u>	<u>Ministry of Finance of Autonomous Republics Kray and Oblast Financial Divisions</u>	<u>Rayon and City (those not subordinated to any rayon) Financial Organs</u>
1. Budget Administration	1. Budget Administration	1. Budget Department	1. Budget inspection and accounting of budget fulfillments
2. Control and Auditing Administration	2. /Office or Administration/ of Chief Controller and Auditor	2. Senior controller and auditor	2. Controllers and auditors
3. Administration of State Revenues	3. Administration of State Revenues	3. Department of State Revenues	3. Inspectors and bookkeepers of state revenues
4. Administration of Taxes and Levies	4. Administration of Taxes and Levies	4. Department of Taxes and Levies	4. Inspectors and bookkeepers for taxes and levies, tax agents
5. Staff Administration	5. Staff Administration	5. Staff Department	5. Staff inspectors
6-17. Departments for branch financing	6. Department for financing industry, trade, and co-operatives		
(a) Defense industry			
(b) Fuel industry and electric power stations			
(c) Metallurgy and chemical industry	7. Department for financing housing and communal economy, automobile transport, and communications		
(d) Machine-building			
(e) Textile and light industry			

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| (f) Timber and construction industry | 6. Department for financing the national economy | 6. Inspectors for financing the national economy |
| (g) Food industry | | |
| (h) Local industry and industrial cooperatives | | |
| (i) Agriculture | | |
| (j) Transport and communications | | |
| (l) Housing and communal economy and motor transport | 8. Department for financing agriculture, water economy, forestry | |
| (m) Trade and procurement | | |
| 18. Department for financing cultural activities | 9. Department for financing cultural activities and health | |
| 19. Department for financing public health | | |
| 20. Administration of defense financing | | |
| 21. Main Administration of State Insurance | 10. Administration of State Insurance | 7. Administration of State Insurance |
| 22. Main Administration of State Labor Savings Banks and State Credits | 11. Administration of State Labor Savings Banks and State Credits | 3. Administration of State Labor Savings Banks and State Credits |
| | | 7. Inspectors of Main Administration of State Insurance USSR |
| | | 8. Rayon state labor savings banks |

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- 23. Departm. for
financing economic
statistics
- 24. Department of ac-
counts and account-
ing
- 25. State Bank (3)
[The organizational
structure of Gosbank
is not discussed in
this report.]

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Available information on the functions of various administrations of the Ministry of Finance USSR is given in the following reactions.

Budget Administration

The duties of the Budget Administration, departments and inspectors are as follows:

1. Composition of union, republic, and local budget drafts.
2. Examination of subordinated budget drafts.
3. Composition of quarterly plans for union, republic, and local budgets.
4. Examination of approved subordinate budgets and quarterly breakdown.
5. Control over the execution of subordinate budgets.
6. Report on execution of union, republic, and local budgets.
7. Compilation of reports on the execution of union, republic, and local budgets, as well as on the USSR state budget, the budgets of union and autonomous republics, and local oblast, okrug, and rayon or city budgets.
8. Examination of annual and quarterly reports on execution of subordinate budgets.
9. Compilation and analysis of statistical material of union, republic, and local budgets.
10. Supervising the budgetary work of financial organs handling subordinate budgets.
11. Working out drafts for decrees and directives of the ministry.

The Budget Administration is divided into the following subdivisions for purposes of carrying out the above functions:

Combined planning department
 Department of republic and local budgets
 Department of execution of budget
 Central accounting office

The budget departments of local financial organs are similarly divided but have an additional division for financing social and cultural activities.

Control and Auditing Administration

This administration is the most important organ of financial control in the USSR. Its functions are as follows:

1. Checking on the observance of budgetary rights of union and autonomous republics and soviets of workers' deputies by republic and local organs as well as by ministries and establishments of the USSR.

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2. Control over execution of union, republic, and local budgets; control over the correct and economical use of budget funds and observance of established wage rates and wage fund.

3. Control over timely execution of budgetary obligations by state and cooperative organizations.

4. Examination of the work of financial organs of state insurance and state savings banks.

5. Verification by organizations of the State Bank of correct usage of fiscal rules regarding budget execution.

6. Examination of interdepartmental organization of financial control in ministries, departments, and organizations.

7. Checking on the fulfillment of duties by senior accountants and bookkeepers.

In addition, the Control and Auditing Administration and its organs verify the proper use of budget funds allotted to economic and cultural organizations (and in some cases the use of their own funds). Banks of long-term credit fall also under the control of the administration.

The control and auditing system of the Ministry of Finance USSR is tightly centralized. Administration of the control and auditing work of union republics is carried out by a chief controller and auditor who is appointed by the Minister of Finance USSR and is directly responsible to the chief of the Control and Auditing Administration of the Ministry of Finance USSR. In autonomous, republics, krais, oblasts, and the cities of Moscow and Leningrad, the management of control and auditing work is the responsibility of the chief controller and auditor, who is appointed by the Minister of Finance USSR and is directly subordinate to the chief controller and auditor of the union republic. In union republic capitals, as well as in cities which have rayon divisions, and in uyezds and okrugs, control and auditing work is supervised by a senior controller and auditor, who is appointed by the chief of the Control and Auditing Administration of the Ministry of Finance USSR and is directly responsible to the chief controllers and auditors of the autonomous republics, kray and oblast.

In other cities (which do not have rayon divisions) and in individual rayons, control and auditing work is carried out by controllers and auditors who are appointed and dismissed by the chief controllers and auditors of oblasts and are responsible to the latter.

The following division of responsibilities has been established for the different levels of control and auditing apparatus:

Control and Auditing Administration USSR

Audit of union ministries
Audit of central institutions of the USSR
Audit of republic and local budgets of union republics

Controllers and auditors of union republics

Auditing of republic ministries
Auditing of central institutions of union republics
Auditing of budgets of autonomous republics, krais and oblasts.

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Controllers and auditors of autonomous republics, oblasts, krays

Auditing of institutions of local subordination
Auditing of rayon and city budgets with oblast subordination

Controllers and auditors of rayon and city organs

Auditing of rayon institutions
Auditing of rural budgets (4)

The Administration of State Revenues of the Ministry of Finance USSR, Administration of Taxes and Levies, Main Administration of State Labor Savings Banks and State Credit, Main Administration of State Insurance, and the analogous subdivisions of republic and local financial organs draw up the annual and quarterly plans for the specific state revenues and levies to be entered into the budget and organize the collection of all obligatory payments, as well as of private deposits that can be mobilized.

The departments and inspectors in charge of financing the different branches of the economy examine the annual and quarterly incomes and expenditures of industrial organizations, determine the amount of profits tax and the size and direction of budgetary financing. They also conduct financial and economic analysis of the annual and quarterly accounting balance sheets and accounting reports of industrial organizations (the state of working capital, fulfillment of production plans, cost of production, capital accumulations, profitability, etc.) and pass judgment on the planning of subordinate budgets in respect to all compulsory payments into the budget and the amount of funds required by the particular branches of the economy.(2)

Departments for Financing Cultural Activities and Health

In oblasts the work of financing cultural activities and health is carried out by the financial organs of oblasts, while in rayons it is managed by the rayon financial departments and budget inspectors. The departments for financing cultural activities and health examine the estimates of expenditures for the social and cultural activities of people's commissariats and executive committees, and finance these activities within the limits established by the budget. They also examine the estimates of special assets of the social and cultural establishments, conduct financial and economic analysis of bookkeepers' accounts, and exercise control over the activities of social and cultural establishments.(2)

Staff Administration, Departments, and Inspectors

These organs examine the estimates of the administrative expenditures of people's commissariats and executive committee departments and finance these expenditures in accordance with the established budget figures. They also examine the annual and periodic accounts of administrative expenditures and see that all establishments, enterprises, and organizations observe the established wage rates (2)

Officials of the Ministry of Finance USSR

The following officials of the ministry were mentioned in US State Department Biographic Information Report No 138.1 of 28 February 1951:

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Minister: Zverev, Arseni Grigoriyevich

Deputy Minister for general affairs: Buzin, D. S. (identified Jul 1949)

Deputy Ministers: Popov, V. F. (identified Feb 1949)
 Uryupin, F. A. (" Jul 1946)
 Yanbukhtin, K. Kh. (" May 1948)
 Boldyrev, A. S. (" " "
 Baranov, I. E. (" " "
 Zlobin, I. D. (" " "
 Gruzdkov, I. V. (" " "
 Plotnikov, K. N. (" " "

Members of the Collegium in additions to the above:

Safronov, A. M. (identified Sep 1946)
 Gusev, S. I. (" Mar 1949)

Chairman of the Administration of State Banks: Popov, V. F. (identified Jan 1949)

SOURCES

1. Bol'shaya Sovetskaya Entsiklopediya, Vol 41, 1939, pp 222-223
2. N. N. Rovinskiy, Gosudarstvennyy Byudzhet SSSR (State Budget of the USSR), Moscow, 1944, pp 352-353.
3. Ya. Greben' and A. Proselkov, Operativnaya Tekhnika i Uchet v Gosbanke SSSR (Operating Technique and Accounting in the State Bank USSR), Moscow, 1946, p 11.
4. N. N. Rovinskiy, Gosudarstvennyy Byudzhet SSSR (State Budget of the USSR), Vol II, Moscow, 1950, pp 249 ff; also N. N. Rovinskiy, Finansovyy Kontrol' v SSSR (Financial Control in the USSR), Moscow, 1947, pp 42-45.

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